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January 30, 2023

Mr. Cru Stublely
Secretary to the Commission
Public Service Commission of Wisconsin
4822 Madison Yards Way
Madison, WI 53705-9100

**Cardinal-Hickory Creek Transmission Line Project
PSCW Docket No. 05-CE-146
Quarterly Progress Report for 4th Quarter of 2022**

Dear Mr. Stublely:

In accordance with Condition 39 of the Commission's *Final Decision and Order* in this docket, served September 26, 2019 (the Order), American Transmission Company (ATC) and ITC Midwest LLC (ITC Midwest), as the project's construction managers, on behalf of themselves and co-permittee, Dairyland Power Cooperative, submit this progress report for the period October 1, 2022, through December 31, 2022.

ATC is managing the construction of the Hill Valley Substation, and the transmission line between the Hill Valley and Cardinal Substations. Construction segments are designated E-1, Hill Valley Substation to Dodgeville; E-2, Dodgeville to Mt. Horeb; and E-3, Mt. Horeb to the Cardinal Substation.

ITC Midwest is managing the transmission line construction between the Hickory Creek Substation in Iowa and the Hill Valley Substation. Construction segments in Wisconsin are designated W-1, Nelson Dewey to Lancaster, and W-2, Lancaster to the Hill Valley Substation.

Schedule

Substation

ATC started construction of the Hill Valley Substation on March 28, 2022. The site grading was generally completed for the 138 kV and 345 kV substation yards. The remaining portion of the grading will be complete after the existing 138 kV line is removed so that area is temporarily stabilized. ATC has also continued rock placement, site restoration and seeding. In the growing season of 2023, site restoration will continue. Foundation construction was completed. Station steel installation was substantially completed. Control cable installation and wiring of equipment continued. Commissioning activities continued. The transformer and reactor were delivered, set, and assembled. The balance of project materials was delivered with only minor materials or back-ordered items to be delivered in 2023.

ATC completed construction of substation upgrades at the Nelson Dewey Substation in the 4th Quarter of 2021, with the exception of the 161 kV jumpers and fiber optic connections, which are pending and scheduled to be completed concurrently with ITC Midwest's portion of the project construction.

ATC substantially completed upgrades at Cardinal Substation in December 2022. The remaining work is pending material back-orders and completion of the 345 kV transmission line.

Transmission Line

ATC substantially completed vegetation clearing on Segments E-2 and E-3 except for follow-up herbicide applications. ATC continued vegetation clearing activities on Segment E-1 and expects to have these activities substantially complete in February 2023, except for follow-up herbicide applications.

Mat placement activities remain on schedule supporting construction activities in Segments E-2. Mat removals began in Segment E-3 and restoration activities began in 4th Quarter 2022.

On Segment E-3, ATC has substantially completed foundations, structures, and wire work. The remaining work in Segment E-3 is near Stagecoach Road. Additional work includes a span of wire outside of Cardinal Substation and fiber splicing. This work is scheduled to begin after foundation crews complete work in Segment E-1.

On Segment E-2, ATC has installed 65% of foundations, set approximately 53% of structures and completed 41% of the wire work. Foundation and structure installations will continue throughout the 1st Quarter of 2023. Wire pulls began in the 4th Quarter of 2022 and will continue through 1st and 2nd Quarters of 2023.

On Segment E-1, ATC installed the "make ready" work to allow ITC to complete work related to transmission line X-16 in Segment W-1. ATC installed two foundations, which allows for more

efficient construction of structures and wire work to occur after certain species restrictions lift in summer of 2023.

ATC has substantially completed receiving project materials. Remaining materials are scheduled to be delivered in February 2023.

On Segment W-1, ITC Midwest has completed construction of the new double-circuit line. The 138 kV portion between the Nelson Dewey and Lancaster substations is energized. Mat removal is in progress and should be completed by the end of 2nd Quarter of 2023. Retirement of the old ATC 138 kV circuit is 10% complete.

On Segment W-2, ITC Midwest has completed vegetation removal, completed access mat installation, and continues to install structure work location matting. Foundation installation is 44% complete. ITC Midwest has received approximately 25% of the structures, and structure installation will begin in the 1st Quarter of 2023.

ITC Midwest Iowa Segment 2 will also include setting three structures on the Wisconsin side of the Mississippi River at the Nelson Dewey Substation, which is anticipated to take place in the 2nd and 3rd Quarter of 2023, and stringing conductor across the Mississippi River, which is anticipated to take place in the 4th Quarter of 2023.

Real Estate Activities

ATC has secured land rights for construction on 100% of parcels in Segment E-3, Segment E-2, and Segment E-1.

ATC has received WisDOT permits for Dane and Iowa counties.

ITC Midwest has made easement offers on 99% of the parcels. ITC has secured easements on 100% of the parcels on Segment W-1 and has secured easements on 98% of Segment W-2.

ITC Midwest has received all State, County, and Township permitting.

Engineering and Construction

Substation

Hill Valley Substation:

Engineering and design were substantially completed.

Nelson Dewey Substation:

Engineering and design are complete.

Cardinal Substation:

Engineering and design were substantially completed.

Eden and other related substations:
Engineering and design efforts continued.

Dairyland has completed engineering analysis of the Stoneman Substation. The scope of construction work is being completed.

Transmission Line

Mississippi River Crossing to Hill Valley:

Physical construction of this transmission line segment is 50% complete.

Hill Valley to Cardinal:

Transmission line construction specifications and drawings were completed for all segments. The physical construction of this portion of the transmission line is approximately 47% complete.

Project Expenditures

Project costs through December 31, 2022, are provided in the attached table.

If you have any questions concerning this report, please contact me at (262) 506-6169, or ctanchester@atcllc.com.

Sincerely,

/s/ Carolyn Tanchester

Carolyn Tanchester
Regulatory Project Manager
ATC Management Inc.,
corporate manager of
American Transmission Company LLC

PROJECT COST CATEGORY	Approved	As of December 31, 2022
Transmission Lines		
Mississippi River Crossing to Hill Valley Substation	\$133,697,000	\$114,780,951
Hill Valley Substation to Cardinal Substation	\$191,851,000	\$182,494,217
TRANSMISSION LINES TOTAL	\$325,548,000	\$297,275,168
Substations		
All Substation Costs	\$38,274,000	\$30,860,953
SUBSTATIONS TOTAL	\$38,274,000	\$30,860,953
Other Project Costs		
One-time Environmental Impact Fee	\$14,082,000	\$14,082,000
Annual Impact Fee (during construction)	\$1,914,000	\$1,425,036
Pre-certification Costs - ATC	\$16,000,000	\$18,628,000
Pre-WI Order Costs - ITC	\$10,490,000	\$4,059,400
Pre-WI Order Costs - DPC	\$1,577,000	\$1,864,808
AFUDC-ITC	\$18,779,000	\$19,560,171
AFUDC-DPC	\$626,000	\$684,402
Post-WI Order Costs - DPC	\$2,035,000	\$2,979,442
OTHER PROJECT COSTS TOTAL	\$65,503,000	\$63,283,259
PROJECT COST - WISCONSIN	\$429,325,000	\$391,419,380
PROJECT COST - IOWA	\$62,891,000	\$81,223,512
TOTAL PROJECT COST	\$492,216,000	\$472,642,892